

109TH CONGRESS
2D SESSION

H. R. 5958

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for the use of ethanol in tetra ethyl ortho silicate (TEOS) production.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2006

Mr. SCHWARZ of Michigan introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for the use of ethanol in tetra ethyl ortho silicate (TEOS) production.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American TEOS Act
5 of 2006”.

1 **SEC. 2. CREDIT FOR USE OF ETHANOL IN TEOS PRODUC-**
2 **TION.**

3 (a) IN GENERAL.—Section 40 of the Internal Rev-
4 enue Code of 1986 (relating to alcohol used as fuel) is
5 amended—

6 (1) in paragraph (3) of subsection (a) by strik-
7 ing the period and inserting “, plus” and by adding
8 at the end of subsection (a) the following new para-
9 graph:

10 “(4) the ethanol in TEOS production credit.”,
11 (2) in subsection (b)—

12 (A) in the heading by striking “AND
13 SMALL ETHANOL PRODUCER CREDIT” and in-
14 serting “SMALL ETHANOL PRODUCER CREDIT,
15 AND ETHANOL IN TEOS PRODUCTION CRED-
16 IT”, and

17 (B) by adding at the end the following new
18 paragraph:

19 “(6) ETHANOL IN TEOS PRODUCTION CRED-
20 IT.—

21 “(A) IN GENERAL.—The ethanol in TEOS
22 production credit for any taxable year is 51
23 cents for each gallon of alcohol which is ethanol
24 that is used by the taxpayer in the production
25 of tetra ethyl ortho silicate (TEOS) which is

1 sold by the taxpayer producing such chemical to
2 any person during such taxable year.

3 “(B) SALE MUST BE IN TRADE OR BUSI-
4 NESS, ETC.—Alcohol used in the production of
5 tetra ethyl ortho silicate (TEOS) shall be taken
6 into account—

7 “(i) only if the sale described in sub-
8 paragraph (A) is in a trade or business of
9 the taxpayer, and

10 “(ii) for the taxable year in which
11 such sale occurs.

12 “(C) SMALL CREDIT FOR LOWER PROOF
13 ETHANOL.—In the case of any alcohol with a
14 proof which is at least 150 but less than 190,
15 subparagraph (A) shall be applied by sub-
16 stituting ‘37.78 cents’ for ‘51 cents’.

17 “(D) DENIAL OF DOUBLE BENEFIT.—In
18 determining the amount of the credit described
19 in this paragraph, a taxpayer shall not take
20 into account any amount of alcohol that is
21 taken into account in determining the amount
22 of a credit described in paragraph (1), (2), or
23 (4).”,

24 (3) in subsection (d)(3)(A)(i), by inserting
25 “other than the ethanol in TEOS production credit

1 described in subsection (b)(6)” after “any credit”,
2 and

3 (4) in subsection (d)(3)(B)(i), by inserting
4 “other than the ethanol in TEOS production credit
5 described in subsection (b)(6)” after “any credit”.

6 (b) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to tetra ethyl ortho silicate
8 (TEOS) sold in taxable years beginning after December
9 31, 2006.

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